

Office of the Deputy Mayor for Planning and Economic Development

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Description	FY 2004 Actual	FY 2005 Approved	FY 2006 Proposed	% Change from FY 2005
Operating Budget	\$32,675,113	\$22,308,995	\$20,754,971	-7.0
FTEs	32.0	36.0	36.0	0.0
Resident Dividends	-	-	\$8,555,000	N/A

The mission of the Office of the Deputy Mayor for Planning and Economic Development (DMPED) is to provide specialized, strategic economic development assistance, including financing, program and policy development and inter-agency coordination services to businesses, developers and community stakeholders so that they can pursue ventures that revitalize neighborhoods, expand and diversify the local economy and provide economic opportunity for District residents.

The agency plans to fulfill its mission by achieving the following strategic result goals:

- By September 30, 2006 the District will have a minimum of 10 organized neighborhood business districts participating in the D.C. Main Streets program, designed to improve and market neighborhood commercial corridors.
- By September 30, 2006 DMPED will have acquired and offered for redevelopment a minimum of 175 units of vacant and abandoned housing in strategic neighborhoods through the Home Again program.
- By 2012, the District of Columbia will have attracted 100,000 new residents.

Gross Funds

The proposed budget is \$20,754,971, representing a decrease of \$1,554,027, or 7 percent, from the FY 2005 approved budget of \$22,308,995. There are 36 FTEs for the agency, unchanged from the FY 2005 approved level.

Resident Dividends

The Mayor proposes additional resident dividend funding in the amount of \$8,555,000 for the following:

- \$5,000,000 for the Anacostia Waterfront Corporation.
- \$660,000 for the operational costs of the DC Marketing Center.
- \$400,000 for the annual Taste of D.C. festival to be held in the fall of 2005.

Funding by Source

Tables EB0-1 and 2 show the sources of funding and FTEs by fund type for the Office of Deputy Mayor for Planning and Economic Development.

Table EB0-1

FY 2006 Proposed Operating Budget, by Revenue Type

(dollars in thousands)

Appropriated Fund	Actual FY 2003	Actual FY 2004	Approved FY 2005	Proposed FY 2006	Change from FY 2005	Percent Change
Local Fund	3,546	10,095	4,634	5,126	492	10.6
Special Purpose Revenue Funds	18,470	21,601	17,675	15,629	-2,046	-11.6
Total for General Fund	22,016	31,696	22,309	20,755	-1,554	-7.0
Federal Grant Fund	-31	329	0	0	0	0.0
Total for Federal Resources	-31	329	0	0	0	0.0
Intra-District Funds	2,191	650	0	0	0	0.0
Total for Intra-District Funds	2,191	650	0	0	0	0.0
Gross Funds	24,177	32,675	22,309	20,755	-1,554	-7.0

Table EB0-2

FY 2006 Full-Time Equivalent Employment Levels

Appropriated Fund	Actual FY 2003	Actual FY 2004	Approved FY 2005	Proposed FY 2006	Change from FY 2005	Percent Change
General Fund						
Local Fund	20	24	24	29	5	20.8
Special Purpose Revenue Funds	6	6	12	7	-5	-41.7
Total for General Fund	26	30	36	36	0	0.0
Intra-District Funds						
Intra-District Funds	3	2	0	0	0	0.0
Total for Intra-District Funds	3	2	0	0	0	0.0
Total Proposed FTEs	29	32	36	36	0	0.0

Expenditures by Comptroller Source Group

Table EB0-3 shows the FY 2006 proposed budget for the agency at the Comptroller Source Group level (Object Class level).

Table EB0-3

FY 2006 Proposed Operating Budget, by Comptroller Source Group

(dollars in thousands)

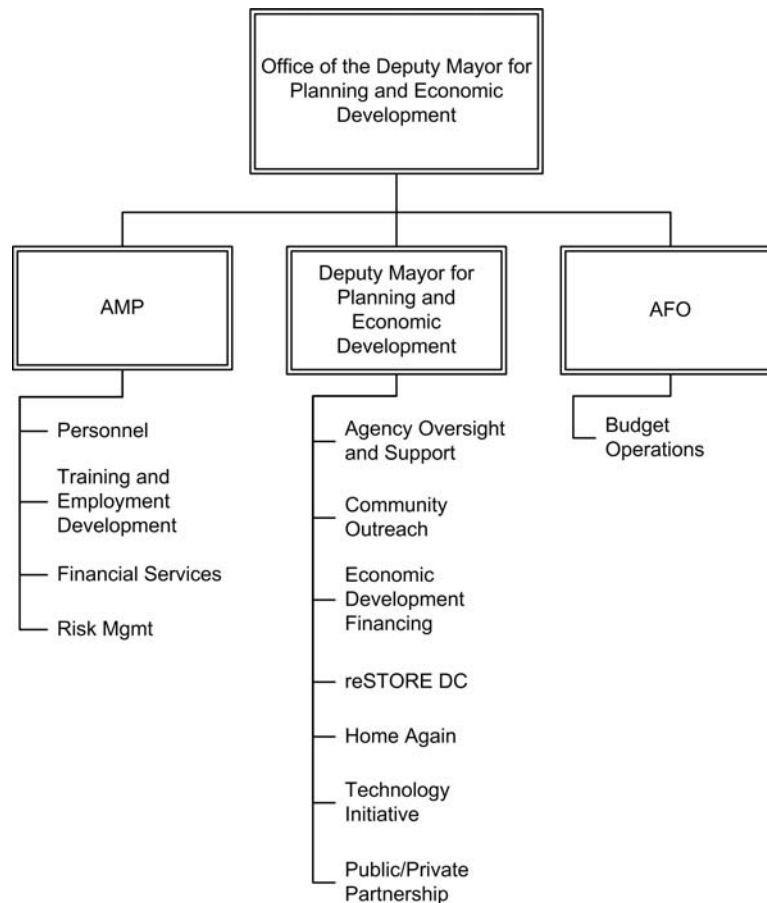
Comptroller Source Group	Actual FY 2003	Actual FY 2004	Approved FY 2005	Proposed FY 2006	Change from FY 2005	Percent Change
11 Regular Pay - Cont Full Time	2,080	2,274	2,689	2,092	-597	-22.2
12 Regular Pay - Other	70	202	0	891	891	N/A
13 Additional Gross Pay	46	14	0	0	0	0.0
14 Fringe Benefits - Curr Personnel	347	398	435	480	45	10.4
Subtotal Personal Services (PS)	2,543	2,888	3,124	3,463	339	10.8
20 Supplies and Materials	84	117	119	94	-25	-21.0
30 Energy, Comm. and Bldg Rentals	4	15	15	0	-15	-100.0
31 Telephone, Telegraph, Telegram, Etc	97	74	78	64	-14	-18.5
32 Rentals - Land and Structures	21	5	823	298	-525	-63.8
33 Janitorial Services	0	6	9	0	-9	-100.0
34 Security Services	0	49	50	0	-50	-100.0
35 Occupancy Fixed Costs	0	0	19	0	-19	-100.0
40 Other Services and Charges	5,659	8,307	1,956	1,096	-860	-44.0
41 Contractual Services - Other	3,466	3,403	2,271	2,208	-63	-2.8
50 Subsidies and Transfers	12,255	17,739	13,820	13,250	-570	-4.1
60 Land and Buildings	0	0	0	250	250	N/A
70 Equipment & Equipment Rental	47	73	25	33	8	32.8
Subtotal Nonpersonal Services (NPS)	21,634	29,788	19,185	17,292	-1,893	-9.9
Total Proposed Operating Budget	24,177	32,675	22,309	20,755	-1,554	-7.0

Expenditure by Program

This funding is budgeted by program and Office of the Deputy Mayor for Planning and Economic Development has the following program structure:

Figure EB0-1

Office of the Deputy Mayor for Planning and Economic Development



- \$100,000 to support the marketing/materials for neighborhood portions of the Cherry Blossom Festival.
- \$120,000 for the Greater Washington Initiative, which supports regional economic development.
- \$1,350,000 for New Communities initiatives.
- \$800,000 for Major Corridors Initiatives.
- \$125,000 for the Housing Task Force.

Resident dividend funding is nonrecurring.

General Funds

Local funds. The proposed budget is \$5,126,461, an increase of \$492,466, or 10.6 percent, over the FY 2005 approved budget of \$4,633,995. There are 29 FTEs, an increase of 5 FTEs over the FY 2005 approved level.

Changes from the FY 2005 approved budget are:

- An increase of \$744,500 in contractual services for marketing and organization plans, product development, interagency coordination and public-private partnerships.

- An increase of \$462,961 to fund 5 FTEs to manage financing for large projects including New Communities, Major Corridors, old convention center site, and other major initiatives.
- A decrease of \$150,000 to reflect mayoral reductions allocated to agencies under the DMPED.
- A decrease of \$632,523 in lower projected fixed costs, which includes a decrease of \$525,274 for rent due to an FY 2005 correction, a decrease of \$14,768 in energy, a decrease of \$14,482 in telecommunications, a decrease of \$9,047 in janitorial services, a decrease of \$49,771 in security services, and a decrease of \$19,181 in occupancy costs.
- A net increase of \$67,528 in nonpersonal service based on operational requirements.

In addition, the Mayor proposes additional local funding in the amount of \$8,555,000 and no FTEs for the resident dividends initiatives. For more information on the DMPED's resident dividends initiatives, please refer to the end of this chapter.

Special Purpose Revenue Funds

The proposed budget is \$15,628,510, a decrease of \$2,046,490, or 11.6 percent from the FY 2005 approved budget of \$17,675,000. There are 7 FTEs, which is a decrease of 5 FTEs from the FY 2005 approved level.

Changes from the FY 2005 approved budget are:

- A decrease of \$2,514,592 and 5 FTEs or 100 percent of the FY 2005 approved revenue level for the Commercial Trust Fund because CTF is expected to be depleted in FY 2005.
- An increase of \$500,000 in the Home Again Initiative Revolving Fund that was not requested in FY 2005.
- A decrease of \$31,897 in the Industrial Revenue Bond program funding to the level of revenue certified by the Office of Revenue Analysis.

Programs

The **Office of the Deputy Mayor for Planning and Economic Development** is committed to the following programs:

Deputy Mayor for Planning and Economic Development

	FY 2005	FY 2006
Budget	\$20,830,264	\$19,803,820
FTEs	32.0	31.3

Program Description

The **Deputy Mayor for Planning and Economic Development** program provides specialized, strategic economic development assistance, including financing, program and policy development and inter-agency coordination services to businesses, developers and community stakeholders so that they can pursue ventures that revitalize neighborhoods, expand and diversify the local economy and provide economic opportunity for District residents.

This program has 7 activities:

- **Agency Oversight** - monitors agency performance and provides resources or direction to Mayoral agencies so that they can overcome obstacles and achieve their strategic goals.
- **Community Outreach** - provides information and referrals to constituents so that the specific issues that they raise are resolved by the appropriate public safety cluster agency in accordance with District customer service standards.
- **Economic Development Financing** - provides gap financing and other economic assistance services to businesses in order to leverage private sector investment in neighborhood retail, commercial, employment and housing opportunities for District residents.
- **reSTORE DC** - provides training sessions, technical assistance consultations, research papers, publications, conferences and limited financial support to community-based organizations so that they can help to retain, expand and attract retail stores and small businesses that employ District residents in neighborhood business districts.

- **Home Again** - this initiative operates to reduce slum and blight by renovating vacant and abandoned homes. The initiative also promotes homeownership by selling the renovated homes to new homeowners.
- **Technology Initiative** - promotes and supports the technology industry in the District and implements specific provisions of the New Economy Transformation Act of 2000.
- **Public/Private Partnerships** - provides organized structures for collaboration, exchange of information and sharing of resources to key business and community groups so that they can effectively participate in the formulation and implementation of District economic development priorities.

Program Budget Summary

The proposed DMPED program gross funds budget is \$19,803,820, a decrease of \$1,026,444, or 4.9 percent from the FY 2005 approved budget of \$20,830,264. The gross budget supports 31.3 FTEs, a decrease of 0.7 FTE from the FY 2005 approved level.

Significant changes from the FY 2005 approved budget include:

- An increase of \$462,961 in personal services to fund 5 FTEs to manage financing for large projects including New Communities, Major Corridors, the old convention center site, and other major initiatives.
- An increase of \$44,000 in the Agency Oversight activity to enhance contractual services available to support large projects and inclusionary zoning.
- An increase in contractual services of \$266,311 for legal counsel provided by the Office of the Attorney General and staff support.
- A decrease of \$2,514,592 or 100 percent of the FY 2005 approved revenue level for the Commercial Trust Fund because funds are expected to be exhausted in FY 2005.
- An increase of \$744,500 in the Economic Development Financing activity for contractual services for marketing and organization plans, product development, interagency coordination and public-private partnerships.

- A decrease of \$150,000 in the reSTORE DC activity to reflect mayoral reductions allocated to agencies under the Deputy Mayor of Economic Development.
- An increase of \$500,000 in the Home Again Initiative Revolving Fund revenue that was not requested in FY 2005. This will fund the Home Again activity, increasing the proposed subsidies and transfers budget by \$250,000 and the proposed land and buildings budget by \$250,000.
- A net decrease of \$92,160 in nonpersonal services due to agency operational requirements.

Key Result Measures

Program 1: Deputy Mayor For Planning and Economic Development

Citywide Strategic Priority Area(s): Promoting Economic Development

Manager(s): Michael Hodge, Director of Revenue Bonds and Enterprise Zones

Supervisor(s): Stanley Jackson, Deputy Mayor for Planning and Economic Development;

Measure 1.1: Percent of cluster agency key result measure targets achieved

	Fiscal Year			
	2004	2005	2006	2007
Target	75	70	70	70
Actual	92.6	-	-	-

Note: The FY 2004 results are based on 81 Key Result Measures with 74 Met, Exceeded or Significantly Exceeded.

Measure 1.2: Rate of private funds leveraged with public funds through Economic Development Finance projects

	Fiscal Year			
	2004	2005	2006	2007
Target	200.1	225.1	225.1	225.1
Actual	224.1	-	-	-

Note: The target represents the ratio of private dollars to public dollars (e.g., \$225 private:\$1 public).

Measure 1.3: Rate of private funds leveraged with public funds through reSTORE DC

	Fiscal Year			
	2004	2005	2006	2007
Target	3.7	3.7	3.7	3.7
Actual	3.7	-	-	-

Note: The target represents the ratio of private dollars to public dollars (e.g., \$3 private/\$7 public).

Measure 1.4: Percent change in properties redeveloped through Home Again program

	Fiscal Year			
	2004	2005	2006	2007
Target	175	14	10	15
Actual	144	-	-	-

Note: Measure was modified from a number to a percent change (5/04). FY 2005 and FY2006 targets reflect percent change.

Measure 1.5: Percent increase in District businesses surveyed regarding retention/expansion plans and District business climate factors

	Fiscal Year			
	2004	2005	2006	2007
Target	300	67	10	15
Actual	380	-	-	-

Note: Measure was modified from a number to a percent change (5/04). FY 2005 and FY2006 targets reflect percent change. FY 2006 decreased from 67 to 10 per agency request (2/24/05).

Measure 1.6: Percent of vacant and abandoned housing units demolished

	Fiscal Year			
	2004	2005	2006	2007
Target	N/A	N/A	100	100
Actual	N/A	-	-	-

Note: New measure added 5/04 during the FY 2005 budget development cycle. This measure will be reported on in FY 2005.

Measure 1.7: Percent of vacant and abandoned housing units brought into compliance with the housing code

	Fiscal Year			
	2004	2005	2006	2007
Target	N/A	95	95	95
Actual	N/A	-	-	-

Note: New measure added 5/04 during the FY 2005 budget development cycle. This measure will be reported on in FY 2005.

Measure 1.8: Percent of affordable housing units production

	Fiscal Year			
	2004	2005	2006	2007
Target	N/A	N/A	100	100
Actual	N/A	-	-	-

Note: New measure in FY 2006 is a combination of "Percent of multi-family rehab funding" and "Targeted new housing units funded". Target is percentage of 1508 units

Measure 1.9: Percent of unemployed adult customers placed in full-time unsubsidized employment

	Fiscal Year			
	2004	2005	2006	2007
Target	N/A	70	70	70
Actual	N/A	-	-	-

Note: New measure added 5/04 during the FY 2005 budget development cycle. This measure will be reported on in FY 2005.

Agency Management

	FY 2005	FY 2006
Budget	\$1,380,218	\$842,813
FTEs	3.0	3.7

Program Description

The **Agency Management** program provides operational support and the required tools to achieve operational and programmatic results. This program is standard for all Performance-Based Budgeting agencies. More information about the Agency Management program can be found in the Strategic Budgeting chapter.

Program Budget Summary

The proposed **Agency Management** program gross funds budget is \$842,813, a decrease of \$537,405 or 38.9 percent from the FY 2005 approved budget of \$1,380,218. The gross budget supports 3.7 FTEs, an increase of 0.7 FTE over the FY 2005 approved level.

Significant changes from the FY 2005 approved budget include:

- A decrease of \$632,523 in projected fixed costs, which includes a decrease of \$525,274 for rent primarily due to a correction of the FY 2005 rent budget, a decrease of \$14,768 in energy, a decrease of \$14,482 in telecommunications, a decrease of \$9,047 in janitor-

ial services, a decrease of \$49,771 in security services, and a decrease of \$19,181 in occupancy costs.

- An increase of \$75,117 in personal services costs for base pay and step increases as well as funding to support the additional 0.7 FTE.
- An increase of \$20,000 for printing services needed to provide marketing materials to communities that support economic development projects.

Key Result Measures

Program 2: Agency Management

Citywide Strategic Priority Area(s): Making Government Work

Manager(s): Michael Hodge, Director of Revenue Bonds and Enterprise Zones

Supervisor(s): Stanley Jackson, Deputy Mayor for Planning and Economic Development

Measure 2.1: Percent variance of estimate to actual expenditure (over/under)

	Fiscal Year			
	2004	2005	2006	2007
Target	5	5	5	5
Actual	N/A	-	-	-

Note: Agency performance on this measure cannot be reported until after the completion of the CAFR in early February 2005. Final results for this measure will be updated in the FY 2006 Operating Budget and Financial Plan, due to be submitted to Council in late March 2005.

Measure 2.2: Percent of the Mayor's Customer Service Standards Met

	Fiscal Year			
	2004	2005	2006	2007
Target	N/A	63	63	63
Actual	N/A	-	-	-

Measure 2.3: Percent of Key Result Measures achieved

	Fiscal Year			
	2004	2005	2006	2007
Target	70	70	70	70
Actual	86	-	-	-

Agency Financial Operations

	FY 2005	FY 2006
Budget	\$98,512	\$108,339
FTEs	1.0	1.0

Program Description

The purpose of the **Agency Financial Operations** program is to provide comprehensive and efficient financial management services to and on behalf of District agencies so that the financial integrity of the District of Columbia is maintained. More information about the Agency Financial Operations program can be found in the Strategic Budgeting Chapter.

Program Budget Summary

The proposed **Agency Financial Operations** program gross funds budget is \$108,339, an increase of \$9,827, or 10 percent over the FY 2005 approved budget of \$98,512. The gross budget supports 1 FTE, which is unchanged from the FY 2005 approved level.

Significant changes from the FY 2005 approved budget include:

- A net increase of \$9,827 in personal services costs for approved base pay and step increases.

For more detailed information regarding the proposed funding for the activities within this agency's programs, please see schedule 30-PBB in the FY 2006 Operating Appendices volume.

Table EB0-4

FY 2006 Proposed Budget and FTEs for Resident Dividends by Program

(dollars in thousands)

Program	Proposed FY 2006 Local Funds	Proposed FY 2006 FTEs
2000 Deputy Mayor For Planning and Economic	\$8,555	0.0
Total for Resident Dividends	\$8,555	0.0

Table EB0-5

FY 2006 Proposed Budget for Resident Dividends by Comptroller Source

(dollars in thousands)

Comptroller Source Group	Proposed FY 2006 Local
0041 Contractual Services - Other	\$2,275
0050 Subsidies and Transfers	\$6,280
Subtotal Nonpersonal Services (NPS)	\$8,555
Total for Resident Dividends	\$8,555

Resident Dividends

The Mayor's proposed budget includes additional Local Funds in the amount of \$8,555,000 to provide funding for the following initiatives:

- \$5,000,000 for the Anacostia Waterfront Corporation for general operating support for community outreach, product development, and overhead.
- \$660,000 to support the operating costs of the D.C. Marketing Center, whose work products include ICSC planning/coordination, demographic studies, neighborhood profile data sheets, business recruitment and staff retention.
- \$400,000 for gap funding to support marketing, organization, and related costs of annual Taste of DC festival, scheduled to be held in the fall of 2005.
- \$100,000 for the annual allotment of funds to support marketing and materials for neighborhood portions of the Cherry Blossom Festival.

- \$120,000 for the Greater Washington Initiative, which is a regional economic development/marketing organization.
- \$1,350,000 for New Communities initiatives which includes strategic planning, community outreach, real estate and financial analysis, product development and implementation, as well as program evaluation.
- \$800,000 for Major Corridors Initiatives which includes strategic planning, community outreach, financial analysis, real estate analysis, product development and implementation, program evaluation
- \$125,000 for the Housing Task Force for the completion, reproduction and dissemination of the task force report and redirection of their focus to the New Communities strategies.

